

FAQs on the Development Bank of Nigeria Funds

Who is DBN?

Development Bank of Nigeria (DBN) is a licensed wholesale Development Financial Institution (DFI) set up by the Federal Government of Nigeria in collaboration with other international development partners to alleviate the financing constraints of the Micro Small and Medium Scale Enterprises (MSMEs) in Nigeria.

DBN has allocated a substantial amount to Wema Bank for on-lending to MSMEs at a very competitive rate.

Why the partnership between Development Bank of Nigeria (DBN) and Wema Bank?

Development Bank of Nigeria has identified Wema bank as an SME friendly bank and thus appointed the bank to churn out loans at affordable rate.

What is the purpose or objective of the Fund?

The broad objective of the Fund is to channel low interest funds to the MSME sub-sector of the Nigerian economy through Banks to:

- Enhance access by MSMEs to funding at a lower cost
- Increase employment and create wealth
- Engender inclusive growth
- Developmental impact on the community

Who qualifies for the DBN fund?

Businesses who are duly registered with Corporate Affairs Commission and are engaged in the any viable business deemed fit by Wema Bank and DBN

Do you have to pay anyone before your loan application will be processed?

No.

Do I need a Wema bank account to enjoy this loan?

Yes, you need a business current account of any type to enjoy this loan

What is the amount available under the scheme?

MSMEs can access up to **₦63mn** for working capital need and **₦153mn** for Term loans

What is the minimum and maximum tenor under the scheme?

Tenor ranges between 3months to 10years depending on the loan type.

How can a SME customer assess the fund?

If you are an existing customer, reach out to your Relationship Manager to submit your loan application letter or visit any Wema bank branch close to you.

However, if you don't have an account with Wema bank kindly visit the nearest Wema Bank branch to you or send an e-mail to SMEhelpdesk@wemabank.com

Will I get funds?

The Bank has funds readily available from DBN for MSME lending, the Fund is enough to go round all businesses that meets the loan requirements.

What documents are required for the evaluation?

- Application for the loan facility
- Abridged Business Plan
- Company's profile
- 12months Bank statement
- Audited Financials/Management Account
- Copies of incorporation documents (Original to be sighted)
- Proof of Address and KYC compliance
- Valid Means of Identification (of Directors/ Partners)
- Cashflow Budget
- Provision of acceptable collateral

Is there moratorium?

There is an option of moratorium period on the principal amount up to 18 months.

What is required from customer?

- Open a business current account (if you don't have one)
- Apply for the loan and submit all required documents
- Accept the terms and conditions of the loan
- Meet all conditions precedent to draw down and collateral requirement
- Utilize the loan for the purpose of request
- Meet repayment as at when due
- Make the business premise and books available to the bank and DBN staff assessment when demanded

Is collateral required?

Yes, please see collateral requirements below

The market value of the collateral must be equal to at least:

- ✚ 100% of the Financing Amount if Collateral is
 - i. An obligation of the Federal Government of Nigeria (FGN Bonds, FGN Eurobonds, FGN Treasury Bills)
 - ii. An obligation fully guaranteed by the Federal Government of Nigeria
 - iii. A note, draft, or bankers' acceptance that is eligible for rediscount or purchase by Central Bank of Nigeria
- ✚ 120% of the Financing Amount if Collateral is obligation of any state government or an agency of any state government
- ✚ 140% of the Financing Amount if Collateral is any other debt instrument
- ✚ 150% of the Financing Amount if Collateral is stock, lease or other real or personal property

For further enquiries you can contact any of the following:
SMEhelpdesk@wemabank.com 014622550